

Costa China: cultivating success and innovation.



costa[®]
well grown

Costa Group Consolidated Holdings Pty Ltd

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Introduction from the CEO



Costa Group has a proud history dating back more than 130 years, when the Costa family established the business in regional Victoria, Australia. Today Costa has grown into a world leading fresh produce business, growing a range of sustainable and nutritious fruit and vegetables supplied to consumers across the world. Costa has a distinguished and successful track record of partnering with communities and local workforces to drive social and economic value for regions and communities.

In 2015 Costa established berry growing operations in China, and through its joint venture with Driscoll's, is committed to developing a local berry growing business and supporting the sustained and healthy development of the economy and society.

Utilising our world-leading berry variety development program, Costa has established a production footprint growing blueberries, raspberries and blackberries across 7,965 Mu (531 hectares at June 2025) across nine farms in Yunnan Province, southern China. Most of this product is currently sold and consumed in China and is marketed under the Driscoll's brand.

Combined with a strong Government focus on promoting healthy living (Healthy China Action Plan 2019-2030), including making the right dietary choices, Costa berries are grown to help meet the growing consumer demand for quality health foods. Blueberries are recognised by consumers for their health benefits, which may improve brain, eye and heart health along with reducing cancer risk.

Central to Costa's operations in China is our commitment to working closely with all levels of government and community, and support for China's agricultural policies. In particular, we have a strong emphasis on economic and social development in the regions in which we operate. We recognise the significant achievements that have been made in Yunnan Province through targeted poverty alleviation measures and rural revitalisation, which also enables people to live and work in their local area/region, without having to move away to cities and improves the rural living environment.

Costa looks forward to making an ongoing and ever-increasing contribution to this very important initiative, which to date has included providing employment, both skilled and unskilled to a large number of people living in Yunnan and supporting local education opportunities and health and wellbeing initiatives, including sporting activities.

Our operations are also underpinned by our focus on Sustainable Commercial Farming, combining our technological expertise with innovative practices to reduce our environmental impact and help to modernise agriculture and rural areas. This will ensure we can contribute to the development of China's green agriculture and its commitment to carbon neutrality by 2060.

Costa recognises that it has been afforded a great privilege by the government to farm and grow berries in China. The company is therefore committed to ensuring it makes a positive and lasting contribution to the development of Chinese agriculture, the rural revitalisation mission, especially in Yunnan Province, and the health and wellbeing of the general population through the growing and supply of sustainable, healthy and nutritious food.

Marc Werner
Chief Executive Officer

Executive summary

Costa is a global leader in agricultural production, innovation, technology and marketing, growing fresh and nutritious produce for consumers around the world.

Our operations in China, developed with our joint venture partner Driscoll's, include 7,965 Mu in Yunnan Province, southern China, growing blueberries, raspberries and blackberries. Most of this product is currently sold and consumed in China, and our goal is to provide premium berries to meet the growing consumer demands for fresh and healthy produce.

In response to the national 'one Belt one Road' Initiative, we are leveraging Yunnan as a strategic gateway to actively develop export markets in Southeast Asia. As a leading enterprise in the modern agricultural industry chain, we aim to drive the establishment of upstream and downstream businesses in Yunnan, forming an industrial cluster and promoting Yunnan Province as a centre of modern agriculture in Asia and even the world.

We are committed to supporting the goals of key Chinese agricultural policies with the aim of achieving positive outcomes in terms of employment, rural economic improvement, including accelerating innovation and the modernisation of agriculture in Yunnan and positive environmental impacts through rural revitalisation and the wider social good.

Costa is committed to growing our China operations and further investing in its expansion.

This document provides a summary of our operations including:

- Overview of operations
- Employment
- Workplace Health and Safety
- Innovation
- Sustainability
- Community

'Properly carrying out the agricultural and rural work during the 14th Five-Year Plan period matters to the sustained and healthy development of the economy and society of the province, matters to the consolidation and expansion of poverty alleviation achievements and the effective connection of the achievement with rural revitalisation, and matters to the fundamental well-being of the broad masses of farmers, and thus has great significance.'

(From the 14th Five-Year Development Plan for the Modernisation of Agriculture and Rural Areas in Yunnan Province).

Key ingredients to success – people, product and collaboration



People – Agronomic and technical expertise and know-how that our people have is second to none in the global berry business.



Product – Global industry leader in blueberry variety improvement and development, utilising plant genetics to breed premium varieties.



Collaboration – Strong emphasis on economic and social development in the rural regions in which we operate.



**Costa is committed to growing
our China operations and further
investing in its expansion.**

Overview of operations

Costa Group is a global leading grower, packer and marketer of fresh fruit and vegetables.

In addition to our farms in China, operations include approximately 120,000+ planted Mu of farmland, 600 Mu of glasshouse facilities and three key mushroom growing facilities across Australia. Costa also has a majority owned joint venture covering seven blueberry farms in Morocco.

The company is known as a leader in agricultural production, innovation, technology and marketing.

Costa has an established blueberry Variety Improvement Program, developing new blueberry varieties suitable for a range of global growing conditions. The program is globally recognised, with varieties licensed in regions including China, the Americas, Morocco, and Southern Africa.

Costa-Driscoll's China Joint Venture

'The world fruit giants such as Driscoll's, Costa have landed in Yunnan province one after another. Yunnan has become the 'Paradise of fruit industry' recognised by the world fruit industry. Fruit is the largest category of agricultural products maximising the most foreign exchange in Yunnan province, the value exports of which ranked first in China.' (From the 14th Five-Year Plan to Build a World-class Green Food Brand Development Plan).

'Yunnan Province has unique geographical advantages, abundant agricultural resources, diverse climate, high ecological quality, and the advantages of plateau characteristic agricultural production areas that supply agricultural products in all seasons attracting more capital from the society.' (From the 14th Five-Year Development Plan for the Modernisation of Agriculture and Rural Areas in Yunnan Province).

Costa's operations in China are a joint venture with Driscoll's, the world's leading berry company. Berries grown in China are supplied and sold in the China market under the Driscoll's brand and are all marketed exclusively by Driscoll's in China.

Costa first began investigations into establishing commercial berry plantings in China in 2010.

Yunnan Province was identified as providing the best opportunity to farm berries due to the following factors:

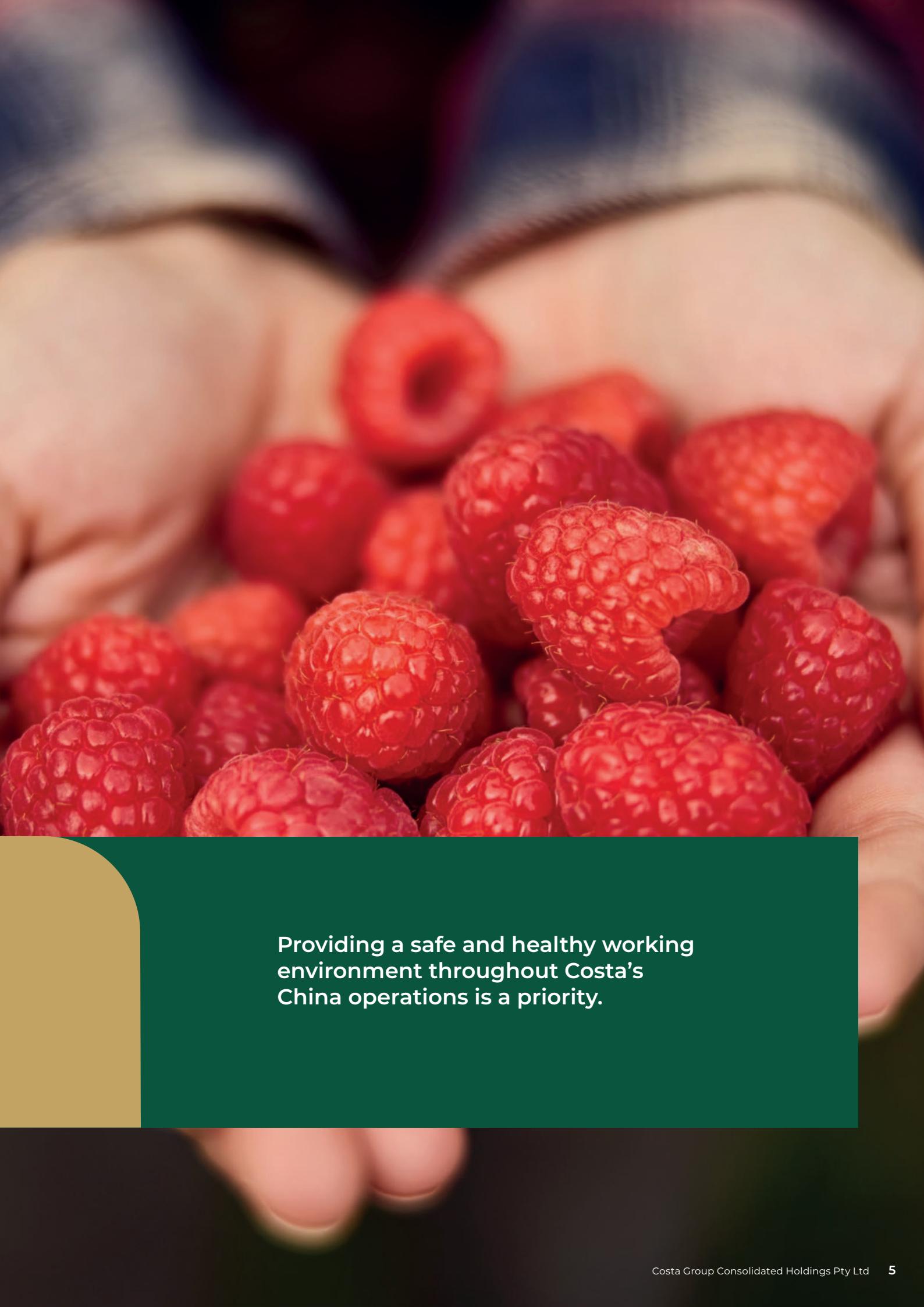
- The ideal climatic conditions and geographical advantages of the province, particularly in the southern regions of the province, and the impact on crop timing.
- The availability of suitable land and quality water.
- The importance of agriculture to the local economy in Yunnan, and the combination of national and regional policies to support the initiative.
- Availability of labour.

'Accelerate the construction of modern agricultural industrial system, production system and management system, comprehensively improve the quality, efficiency and competitiveness of key industries, and accelerate Yunnan's transition from a characteristic agricultural province to a strong modern agricultural province.' (From the 14th Five-Year Development Plan for the Modernisation of Agriculture and Rural Areas in Yunnan Province).

In establishing our China operations, Costa has utilised its world leading berry varieties to build strong modern agricultural operations and supply Chinese consumers with premium healthy berries.

We recognise and value the importance of working cooperatively and harmoniously with the local government, officials, employees, local villages, and the surrounding population. We are committed to supporting the goals of key Chinese agricultural policies with the aim of achieving positive outcomes in terms of rural economic improvement and rural revitalisation. This includes accelerating innovation and the modernisation of agriculture in Yunnan, positive environmental impacts through rural revitalisation and the wider social good.

Through the introduction of world leading agronomic and technical expertise, including substrate (out of the soil) plantings and protected cropping, we seek to work with the government to play a key role in driving the continued positive momentum in agricultural and rural development in China.



Providing a safe and healthy working environment throughout Costa's China operations is a priority.

Overview of operations

Farming operations

Costa has five main growing locations all located in Yunnan Province, Southern China. The total land leased by Costa (as at June 2025) is 13,437 Mu.



**Honghe
Prefecture**
Bailang (509 Mu)
Mingjiu (1,179 Mu)

**Xishuangbanna
Prefecture
(three sites in
close proximity)**
Manlai/Manle (2,000 Mu)
Manhong (1,200 Mu)
Guangmen (1,800 Mu)

Baoshan City
Shuangqiao (SQ)
Farm (1,703 Mu)
Jinji (Agripark)
(2,966 Mu)

Dali Prefecture
Xinze (1,140 Mu)

Lijiang City
Sanchuan (940 Mu)

Each of the five growing locations has access to technologically superior cold chain facilities operated by Driscoll's. These facilities are conveniently located and are all within less than 5km to 10km from the farms.

Awards

The Costa joint venture (JV) and projects in Yunnan have been recognised both locally and internationally for the introduction of the latest technology, innovation, community good, employment, sustainable practices and the company's long-term commitment to the agricultural sector in Yunnan specifically and China generally.



Impact Award

Costa and Driscoll's JV blueberry operation in China received the Impact Award in the Asia Fruit Awards in 2021. The JV was recognised for its positive social and economic impact in terms of poverty alleviation in the communities where it operates. The award also recognised quality standards that had been established for domestically grown berries.



Business Excellence Award for Agriculture, Food & Beverage

In 2018, Costa Group won the Business Excellence Award for Agriculture, Food & Beverage at the prestigious 25th Annual Aus-Cham Westpac Australia-China Business Awards. The award recognised the agronomic practices that Costa has brought to China, including its world leading blueberry varieties and substrate growing methods.



Liming Farm Management Committee in Menghai County Award for Party of Employment and poverty alleviation

In 2019 the Costa JV received recognition from the state-owned agricultural company in Xishuangbanna for its work in relation to poverty alleviation on the Liming state farms and surrounding area.



Yunnan Top 10 brands

The Driscoll's brand has been recognised by the Yunnan Government as one of the top 10 agricultural brands in 2020 and 2021.



People/Employment

'The quality of life of farmers has improved significantly. The per capita disposable income of rural residents in Yunnan Province has increased from 8,242 yuan in 2015 to 12,842 yuan in 2020, with an average annual growth rate of 9.3%, which is 0.8% higher than that of the entire country.' (From the 14th Five-Year Development Plan for the Modernisation of Agriculture and Rural Areas in Yunnan Province).

Economic contribution

A total of CNY 700 million has been invested in the development of the China operations to date.

Costa sources much of its farming production inputs within China. Growing pots are sourced from a number of companies, which enables us to easily request design changes to suit the local environmental conditions. Approximately 90% of our farm machinery and components are sourced from within China, including a large percentage of the chemicals we use to grow and protect our crops from pest and disease.

People

A successful berry operation is labour intensive, and we recognise its success will be built on local expertise and resources. Costa is committed to:

- Respecting and complying with all local labour laws and regulations.
- Providing fair remuneration and incentives for workers.
- Development and implementation of sound and proven safety practices.
- Training, skill and personal development initiatives for staff.
- Clean and safe accommodation.
- Development and career opportunities for local people, with a particular focus on young people.
- Providing employment for local casual labour.
- Transform local farmers to agriculture industry workers.

Our workforce is predominantly Chinese, with five expatriates supporting the local team.

Workplace Health and Safety

We place a high priority on preventing and reducing agricultural safety risks for workers and are focused on ensuring the quality and safety of our agricultural products.

China safety coordinators

Our China farms now have a total of 10 workplace safety coordinators, who are responsible for reporting safety hazards and accidents, overseeing the proper use of personal protective equipment, safety training within their department, and the follow-up of safety actions. The safety coordinators are also responsible for the compilation of standard operating procedures (SOPs) for all work activities, promoting a standardised and consistent approach to the compilation of SOPs across the Company operations.

Profile story

Gao Xiao Mei (May) – National Harvest Manager & Deputy Regional Farm Manager.

Gao Xiao Mei (May), harvest manager for Costa's China operations, was one of the seven recipients of the Adrian Costa Scholarships, presented in 2021.

The Adrian Costa Scholarships recognise Costa employees who demonstrate determination and passion in the performance of their duties and responsibilities. The scholarship provides recipients with a valuable opportunity to pursue a wide range of personal or professional development activities.

May, who grew up in the small town of Yao'an in south-west Yunnan, where the main crops were lotus, rice, tobacco, mulberry and beans, joined Costa's China operations in 2016. She has a Bachelor's degree in Biological Science from Dali University and a Master's degree in Plant Phytopathology.

She studied at Yunnan Agricultural University (Yunnan Province) for half a year to study professional curriculum, and then moved to the China Academy of Agricultural Sciences in Beijing to complete the experimental curriculum for her Master's degree.

May said she enjoyed the challenge of harvest and working closely in a team environment. She said receiving the Adrian Costa Scholarship was a big surprise and demonstrated the trust Costa had placed in her. She used the scholarship to develop her management, communication and professional skills, particularly travelling to gain more knowledge of the berry industry.



Profile story

Tian Wei Jie (Jay) – Development Manager

Tian Wei Jie (Jay) is the Development Manager at Costa China and was the 2025 recipient of the CEO Award for Managing Growth in the Costa Awards program.

The Costa Awards honour employees who exemplify the company's core values through exceptional performance. Wei Jie earned this accolade by spearheading multiple key projects in China and delivering critical technical support for new ventures in Laos.

Holding a Master's degree from Central South University, Jay joined Costa in 2017. He has since been at the forefront of farm construction initiatives across China. His proven expertise and leadership now see him leading the company's development projects.

"This award recognises my work while fuelling my drive. As an industry leader, Costa places employee growth at the heart of its mission."



Innovation

'The driving force for transformation and upgrading of agricultural and rural development in terms of quality reform, driving force reform and efficiency reform has been continuously enhanced.' (From the 14th Five-Year Development Plan for the Modernisation of Agriculture and Rural Areas in Yunnan Province).

Costa has developed a global reputation as a leader in the development of new agronomic practices, including the introduction and commercialisation of growing blueberries in substrate and the development of new varieties suited for tropical latitude environments. This aligns with the focus on boosting innovation driven development, as outlined in the 14th Five-Year Development Plan for the Modernisation of Agricultural and Rural Areas in Yunnan Province.

The importance of managing climate risk and the need for new and emerging technology is highlighted by the strong and focused response from the Costa Executive and Board.

Variety Improvement Program

Costa's Variety Improvement Program is globally recognised, with Costa varieties licensed in regions including China, the Americas, Morocco, and Southern Africa.

Using traditional plant breeding techniques, Costa identifies and develops plant selections chosen for their performance across key areas of fruit quality, productivity, and agronomic outcomes.

Among the best-known varieties to come through the Variety Improvement Program is Arana, now one of the most sought-after blueberry varieties around the world. Its superior size, flavour and quality derives a price premium. Other new varieties developed by Costa include Delight and Cascade, which all play a key role in developing Yunnan's reputation for superior agricultural products and its fruit industry.





Costa has developed a global reputation as a leader in the development of new agronomic practices.

Sustainability

Soil

All farms use the substrate growing systems which means the soil is left untouched. It also ensures the plants are free from soil-borne pests and diseases and provides direct control over the aeration, moisture and nutrition for the plant.

Irrigation

Company irrigation systems are fully automatic to give the plants exactly what they require in relation to water and nutrients. This not only reduces the use of water, nutrients and pesticides, it also has a positive impact on improving soil health. This supports the measures to eliminate environmental impact which are in place in Yunnan.

Our team in China has worked closely with our Australian berry team to design a fit for purpose irrigation drain recapture system that can be specifically used in protected blueberry production.

Use of pesticide/fertiliser minimisation

In addition to targeted irrigation use the Company has a technical team which closely monitors plant nutritional requirements and pest levels. This ensures that actions to rectify any issues only take place when there is a specific need. This reduces the level of inputs for control.

IPM Strategy

Costa has developed an integrated approach to pest and disease management, effectively combining beneficial insects and organic products to reduce reliance on chemical pesticides.

Manhong

Recycling and reuse

To reduce our waste, the used substrate material, along with some of the branches that are residual waste from pruning, are reused. The branches are chipped after pruning.

Both substrate and chipped branches are supplied to a factory that uses them to make organic fertiliser/compost. They mix the branches and substrate with manure from various animals. Other farmers have also purchased this to improve the organic matter in their soil, using it as a mulch or blending it in with the soil.

A pot-washing program has been progressively expanded since starting in 2020, with the aim to reuse all pots in future replanting. This represents a significant reduction in plastic waste.

Electric vehicles

Electric vehicles are being introduced across a number of our farming operations, including electric commuting vehicles and electric fruit vans.



Community

Costa strongly supports the emphasis on social development in the regions in which we operate and continues to contribute to community good and rural revitalisation. Our farms support the policies in place to strengthen agriculture, benefit farmers and raise rural living standards.

Our community focused actions include:

- Providing safe, healthy and beneficial and fair employment.
- Specific community support programs which support local initiatives.
- Staff engagement in local festivals and events.
- Sponsoring educational support for young people.
- Maintaining consistent levels of communication with village and community representatives.
- Respecting the local neighbouring farmers and ensuring that farming operations do not have any negative effect on neighbours and communities.



Education

In Xishuangbanna, Costa has provided funding for equipment and furniture for a centre built to support young people through an initiative with a local Village Committee. It provides a place for them to go to after school and during weekends to undertake a range of activities including exposure to and development of local cultural initiatives, added learning opportunities, sporting activities and wider community links.

To date Costa has provided computers, desks, chairs, a sofa, sports equipment and smaller miscellaneous equipment in support of the centre.

Costa also organised activities to raise money for local schools and will continue to do this each year.

Costa participates in the Walk for Schools, raising funds to support students' education pathways in local schools in Yunnan province. In total, 110 students have been awarded a scholarship in this school.

As part of our focus on providing local educational opportunities, Costa employees who are native English speakers and several Costa colleagues with a good level of English, visited a local middle and high school in Menghai.

Here, they teach English classes using a lesson plan, and then attend the 'English Corner', where students can discuss daily topics in English to improve their spoken English. This is proving a valuable experience for the pupils and Costa staff.

Rural Revitalisation

As part of its commitment to the communities in the Xishuangbanna Prefecture, Yunnan Province, Costa has been a strong supporter of the Poverty Alleviation Programs and Rural Revitalisation. The Costa Joint Venture in China has been recognised formally in Menghai County, Xishuangbanna for its support of the program, largely through the creation of employment opportunities and the benefits this has brought to the local population.

In Baoshan Prefecture, there are extensive rural revitalisation activities in place. One of these is a support program aimed at talented children from poor rural families to enable them to further their education.

The Company has funded the installation of solar powered streetlights in adjacent villages to its farms located in Xishuangbanna and Baoshan. This has helped to create a safer and better living environment in these villages. Costa staff are proud participants in the annual festival for the Mengzhe (China) township, Xishuangbanna.

This participation has included sponsorship and participation in mountain biking, football matches, sports events, food festivals, and performances.



Future plans

Costa has been privileged to have the opportunity to establish an agricultural operation in China. This has included playing a role in not only continuing to introduce innovative agronomic practices and world leading berry varieties, but also making a positive contribution to improving the economic and social wellbeing in rural Yunnan. This has occurred through providing employment and working with government and the community to support endeavours that allow local residents to pursue educational opportunities.

Costa also continues to work with local communities and educational institutes to boost youth employment and further develop its vocational education and training programs.

Costa is committed to growing our China operations and further investing in its expansion. This includes responsibly and cooperatively working with government to further develop our operations in a manner that complies with all relevant laws and ensure the land we use to grow our crops is the most agriculturally suitable and environmentally sustainable, while also recognising the importance of food security for the Chinese people. The blueberry sector in China is also establishing itself as an important player

internationally, with exports growing rapidly. Costa is committed to significant growth in China and does not see this growth being incompatible with any Government policies or plans.

The importance of food safety will remain a priority and work on the development of environmentally low impact pest control and irrigation systems will continue. This includes the development and planting of high yielding pest resistant berry varieties.

Through this action Costa looks forward to continued investment in new farms, the creation of more employment opportunities and supporting the people of rural China to pursue economic security and prosperity through their participation in agriculture.



Xinze



costagroup.com.au